

## Australia

AngloGold Ashanti's Australian properties are the Sunrise Dam and Boddington gold mines, both in Western Australia. The company has a 33.33% interest in Boddington which is currently on care and maintenance, pending a decision to proceed with the Boddington expansion project.

Mining ceased at Union Reefs in the Northern Territory in the third quarter of 2003, and Union Reefs' assets were sold to the Burnside Joint Venture in August 2004.

AngloGold Ashanti Australia exited the Tanami and Central Desert joint ventures during 2005. The 40% interest was transferred to Newmont Australia, which has assumed responsibility for outstanding liabilities related to the joint ventures.

In 2005, attributable production from Australia rose to 455,000 ounces at a total cash cost of \$269 per ounce.

### Sunrise Dam

**Description:** Sunrise Dam lies some 220 kilometres north-north-east of Kalgoorlie and 55 kilometres south of Laverton. The mine comprises a large open-pit operation and an underground project. Mining is carried out by contractors and ore is treated in a conventional gravity and leach process plant.

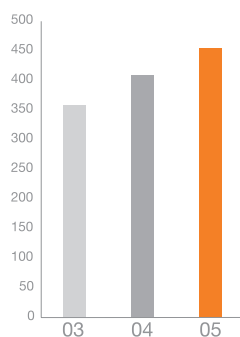
**Geology:** Gold ore at Sunrise Dam is structurally and lithologically controlled within gently dipping high-strain shear zones (for example, Sunrise Shear) and steeply dipping brittle-ductile low-strain shear zones (for example, Western Shear). Host rocks include andesitic volcanic rocks, volcanogenic sediments and magnetic shales.

### Operating review

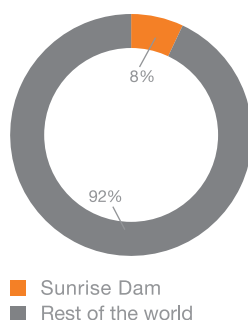
Production increased at Sunrise Dam in 2005, rising by 11% to 455,000 ounces of gold. Mining



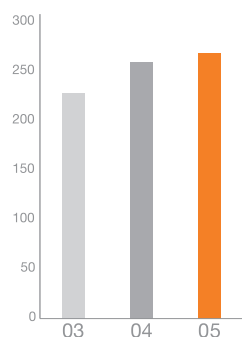
Gold production (000oz) Sunrise Dam



Attributable contribution to AngloGold Ashanti production in 2005 (%)



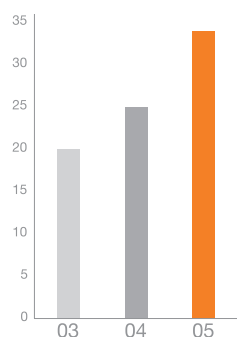
Total cash costs (\$/oz) Sunrise Dam



continued in the high-grade areas in the first half of the year as planned, but continued into the lower grade northern section of the pit from the third quarter. Volumes are currently being supplemented by higher grade commercial production from the underground project.

Recovered grade rose marginally to 3.68g/t, largely offsetting lower volumes, increased mining costs and higher fuel prices. As a result total cash costs increased by 3% to \$269 per ounce. Gross profit, adjusted for the effect of unrealised non-hedge derivatives, was down at \$46 million.

Capital expenditure (\$m) Sunrise Dam



Good progress was made with the Sunrise Dam underground project, with 4,096 metres of underground capital development and 2,495 metres of operational development having been completed.

Capital expenditure amounted to \$34 million, an increase of 36% on the previous year, and was due mainly to increased expenditure on the development of the underground operation.

### Growth prospects

Mining of the open pit will continue in the lower grade northern section of the mine for most of

Sunrise Dam	2005	2004	2003
Pay limit (oz/t)	0.07	0.07	0.07
Pay limit (g/t)	2.27	2.14	2.26
Recovered grade (oz/t)	0.107	0.101	0.091
Recovered grade (g/t)	3.68	3.46	3.12
Gold production (000oz)	455	410	358
Total cash costs (\$/oz)	269	260	228
Total production costs (\$/oz)	363	326	295
Capital expenditure (\$ million)	34	25	20
Total number of employees	375	356	316
Employees	95	88	94
Contractors	280	268	222

2006, but will be supplemented by higher grade ore from the increasing commercial production accessed by development inclines and trial mining from the underground project.

The three-year underground project involves the development of two declines and 125,000 metres of drilling from surface and underground. Declines have been developed in the vicinity of defined underground reserves, which are now being mined. Deep drilling to date has confirmed that the sub-vertical, high-grade zones that have been a feature of open-pit mining at Sunrise Dam continue at depth. Mining will ramp up during the coming year with almost 30% of Sunrise Dam production coming from this source in 2006. A decision on whether to proceed to larger scale underground mining will be made early in 2007.

### Outlook

In 2006, gold production is expected to range between 451,000 ounces and 469,000 ounces, at a total cash cost of between \$268 per ounce and \$278 per ounce. Capital expenditure of between \$27 million to \$28 million is planned, to be spent largely on further development of the underground expansion project.

Boddington	2005	2004	2003
Capital expenditure (\$ million) – 100%	12	8	4
Capital expenditure (\$ million) – 33.33%	4	3	1
Total number of employees	66	45	41
Employees	18	12	12
Contractors	48	33	29

### Boddington

**Description:** Boddington gold mine is located approximately 100 kilometres south-east of Perth. The former open-pit operation closed at the end of 2001 and, since September 2002, has been managed by the Boddington Gold Mine Management Company under the direction of the Boddington joint venture partners, namely AngloGold Ashanti (33.33%), Newmont Boddington (44.44%) and Newcrest Operations (22.22%).

**Geology:** Boddington is located in the Archaean Saddleback greenstone belt in south-west Western Australia. The main zone of gold mineralisation occurs reasonably continuously over a strike length of over 5 kilometres and a width of about 1 kilometre. The oxide gold mineralisation forms a semi-continuous blanket within the upper iron-rich laterite, with more erratic gold distribution in the lower zones. The basement rocks below the oxide zone host gold mineralisation with a variety of geological styles, predominantly in andesitic volcanics and diorite intrusions.

#### Operating performance, growth prospects and outlook

The operation remained on care and maintenance pending the start of the Boddington expansion project. Work continued on updating the Boddington feasibility study completed originally in 2000. An updated feasibility study on the basement mineralisation,

Union Reefs	2005	2004	2003
Pay limit (oz/t)	–	–	0.05
Pay limit (g/t)	–	–	1.61
Recovered grade (oz/t)	–	–	0.033
Recovered grade (g/t)	–	–	1.12
Gold production (000oz)	–	–	74
Total cash costs (\$/oz)	–	–	272
Total production costs (\$/oz)	–	–	283
Capital expenditure (\$ million)	–	–	–
Total number of employees	–	11	122
Employees	–	8	50
Contractors	–	3	72

was completed in late December 2005 and is currently being reviewed by the joint venture partners. The updated study envisages an operation with a throughput of 35.2 million tonnes a year, producing an average of 815,000 ounces of gold and 32,100 tonnes of copper a year (with 272,000 ounces of gold and 10,700 tonnes of copper attributable to AngloGold Ashanti) over a life of mine of 17 years. The estimated attributable capital cost is \$432 million.

### Union Reefs

**Description:** Union Reefs lies 160 kilometres south-east of Darwin, between the townships of Pine Creek and Adelaide River in Northern Territory. Mining ceased at the Union Reefs open-pit operations in the third quarter of 2003, and the treatment plant was placed on care and maintenance. AngloGold Ashanti sold its interests in Union Reefs to the Burnside Joint Venture in August 2004.